

AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1181

Introduced by Assembly Member Ridley-Thomas

February 21, 2003

An act to add Section 381.1 to the Insurance Code, relating to automobile insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1181, as amended, Ridley-Thomas. Automobile insurance: rating information disclosures.

Existing law requires that an insurance policy shall specify various information.

This bill would require that a policy of automobile insurance contain a rating information disclosure regarding the information that was applied in determining the premium that was charged for the policy. The bill would require that the policy specify various information that was used as the basis for rating the coverage, including, among other things, the ~~safety record~~ *minor and major driving-related* convictions ~~for each driver~~ and the number of ~~chargeable~~, at fault, property damage and bodily injury accidents for each driver. The bill would authorize the Insurance Commissioner, *after receiving a written request*, to approve modifications to the language or the format described, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 381.1 is added to the Insurance Code, to read:

381.1. (a) A policy of automobile insurance, as defined in Section 660, shall contain a statement inserted on the declaration page or attached to it, containing the information described in subdivision (b) and the following language in at least 12-point boldface type:

“Rating Information Disclosure

The following information was applied in determining the premium that was charged for this policy.”

(b) The policy shall also specify the following information that was used as the basis for rating the coverage:

(1) The specific number of minor driver safety record convictions for each driver.

(2) The specific number of major driver safety record convictions for each driver.

(3) The number of chargeable, at fault, property damage accidents for each driver.

(4) The number of chargeable, at fault, bodily injury accidents for each driver.

(5) The estimated annual mileage for each vehicle.

(6) The number of years of driving experience for each driver.

(7) The driver assigned as the rated driver for each vehicle.

(8) The type of use of each vehicle.

(9) A detail of any other factor that impacted the rating for each driver or vehicle, including, but not limited to, gender, marital status, smoker status, academic status, driver training, senior defensive driver status, vehicle performance type, good driver discount, and multivehicle households. subdivision (b).

(b) The statement shall be labeled, in boldface font, “RATING INFORMATION DISCLOSURE.” It shall include for each rated driver the following language, or substantially similar language, in at least 10-point type, and shall indicate for that driver the number of incidents or other relevant data applicable to each category:

RATING INFORMATION DISCLOSURE

The following information was applied in determining the premium that was charged for this policy. For accidents to be used in rating, the insured driver must be at least 51 percent at fault and the property damage must be above the minimum threshold.

- 1. Minor convictions, 3-year driving record:*
- 2. Major convictions, 7-year driving record:*
- 3. Property damage accidents:*
- 4. Bodily injury accidents:*
- 5. Estimated annual mileage driven:*
- 6. Years of driving experience:*
- 7. Vehicle number to which the driver is assigned:*
- 8. Vehicle use (e.g., pleasure, commute, business):*
- 9. Driver-related discounts applied:*
- 10. Vehicle-related discounts or surcharges:*

(c) The disclosure required in this section may contain additional provisions that are not in conflict or derogation with these provisions.

(d) The commissioner may, *after receiving a written request*, approve modifications to the language or format described, provided that the modifications are not in conflict or derogation of this section and that the modifications are necessary to ensure the accuracy of the statement.